New insights into employee earnings from STP data

Media Release

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Source: Monthly Employee Earnings Indicator, April 2023

The Australian Bureau of Statistics (ABS) has today released a new set of statistics on employee earnings, based on Single Touch Payroll (STP) data.

Bjorn Jarvis, ABS head of labour statistics, said: "We have been producing statistics from Single Touch Payroll data for more than three years, however this is the first time we've produced measures of monthly and annual change in the wages and salaries paid by employers in Australia.

"This truly demonstrates the incredible value of Single Touch Payroll data in providing additional insights into the labour market.

"In this initial release we have included figures for the entire month of April 2023, for which employees were paid $91.4 billion in wages and salaries, and also how earnings changed from March and over the past year. These new figures for April also showed us that wages and salaries paid by employers fell by 1.7 per cent, or $1.6 billion, from March and were 9.3 per cent, or $7.7 billion, higher than April 2022.

"The April figures follow an expected seasonal peak in March, when several industries pay their periodic bonuses.

"This new measure of wages and salaries paid by employers complements other measures of aggregate earnings, which are only available on a quarterly basis."

"As with all aggregate measures of total wages and salaries, it captures all of the compositional changes in the labour market – including changes in employment, hours and periodic payments – rather than underlying wage growth.

“In the future, we will also produce seasonally adjusted estimates as well as being able to separate other types of payments, like bonuses and overtime,” Mr Jarvis said.

Industry insights

Eleven out of 19 industries saw a fall in wages and salaries paid by employers in April 2023. The largest fall was seen in the Mining industry, down 13.8 per cent, after an expected annual peak with bonuses paid in March.

Percentage change in wages and salaries paid by employers, by industry

Industries are ranked by month percentage change. Some industries experience pronounced seasonality in wages and salaries paid by employers, which can affect interpretation of change between months.

State and territory insights

At a state and territory level, almost all saw a fall in wages and salaries paid by employers from March 2023, given the seasonal pattern across most industries. Western Australia saw the largest fall into April (down 3.7 per cent), due to its high proportion of employees in the Mining industry, which sees bonus payments during March.

In annual terms, the growth in total wages and salaries was greatest in Western Australia (11.6 per cent) and lowest in the Australian Capital Territory (4.8 per cent).

Media notes

- Future issues of the Monthly Employee Earnings Indicator will include month and annual movements for multiple month reference periods, and eventually include a full time series to July 2021.
- Wages and salaries paid by employers are not seasonally adjusted, which generally requires at least three years of reasonably stable data. The longstanding seasonally adjusted Labour Force statistics series can aid in the interpretation of labour statistics across periods of greater seasonality.
- The ABS acknowledges the continued support of the ATO in enabling the ABS to produce insights into the Australian labour market from Single Touch Payroll data.
- To learn more about our different labour measures, their purpose and how to use them, see our new Guide to labour statistics (/statistics/understanding-statistics/guide-labour-statistics) . It provides summary information on labour market topics including Industry employment (/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide) and Earnings data (/statistics/understanding-statistics/guide-labour-statistics/earnings-guide) .
- The changes in total wages and salaries paid by employers is not an indication of the underlying wage change as reported in the ABS' Wage Price Index (/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/mar-2023) .
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